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Intermediation In Shifting Policy Contexts Interviews with community energy actors

Sabine Hielscher reports on the findings of the CISE (Community Innovations for Sustainable Energy) project's first fifteen interviews with community energy intermediaries to find out about the shifting roles played by them and their networks in supporting community energy.

The CISE research project examines the diffusion of community energy projects in the UK. Within this examination we aim to investigate what role intermediaries play to support the diffusion and growth of community energy projects. Intermediaries are organisations and networks that exist to share experience, good practice, expertise and advice. They can also build links between specific community energy groups and in some cases intermediaries also act as a voice for community energy by providing evidence and advocacy to policymakers.

In this Research Briefing we discuss:

- The role played by intermediary organisation and networks
- The kinds of advice and support being offered and developed
- The changing roles of intermediaries and the drivers of this change

- The coming together and drifting apart of intermediary networks and the achievements of these dynamic networks

One of the key aims of the CISE project is to understand the extent to which community energy projects create a 'niche space' for innovative sustainable energy solutions. A community energy 'niche' would consist of collective sets of expectations, mutually supportive networks, widely shared experiences and lessons being developed across the diversity of existing community energy projects. The way intermediaries help facilitate these 'niche' developments might be a crucial aspect of the wider diffusion of community energy projects. Intermediary organisations could therefore play a key role when it comes to the growth of community energy within the UK.

In order to examine the role of intermediaries in relation to the current formation of a 'community energy niche', the CISE project conducted an

We conducted fifteen interviews with members of intermediary organisations. This briefing provides a short introduction to the initial analysis of the intermediary interviews, particularly focusing on the changing role of intermediary work under the current shifting political context

initial set of 15 interviews with representatives from different intermediary organisations. The CISE team collated a list of 110 intermediary organisations. These intermediaries were divided into different groups according to their main line of activity:

- Initiators of community work,
- Providers of project-networking,
- Providers of numerous support mechanisms,
- Providers of specific professional products,
- Funders and organisers of competitions, and
- Organisations who interface with policy-makers and energy business actors.

The final 15 intermediaries were selected on the basis that at least one actor from each identified group was represented.

This briefing provides a short introduction to the initial analysis of the intermediary interviews, particularly focusing on the changing role of intermediary work under the current shifting political context (such as the change of government, the reduction of public sector funding and the introduction and review of the Feed-in-Tariff (FiT)). A second round of interviews, consisting of follow

up interviews and discussions with new intermediaries will be conducted at the end of 2012. It is therefore important to keep in mind that the picture of intermediary work presented here is provisional. It reflects our commitment to an engaged research approach that shares work in progress as the project proceeds.

The findings so far are grounded in the interpretations and experiences of the interviewed intermediary organisations. They therefore represent only one view of community energy in the UK and only a partial perspective on what is actually happening with community energy projects on the ground.

The role of intermediary organisations

Most of the intermediaries are involved in providing advice and support to community energy initiatives and advocating the sector to a wide range of actors. In some cases this support is rather specific (such as providing one-off legal advice) whereas in other cases it can lead to longer-term relationships between intermediaries and community energy initiatives. Policy intermediaries can provide funding through various programmes (such as the Low Carbon Communities Challenge (LCCC), the Climate Challenge Fund (CCF) and the Community and Renewables Energy Scheme (CARES)). Some of the NGO intermediaries help to administer these programmes and often provide advice and support material to the participating community energy projects. Some of these intermediaries focus their efforts solely on community energy whereas others follow a wider agenda (such as community development,

Intermediaries have developed web-based and printed resource materials for community energy initiatives, including how to guides, case studies, newsletters and tools.



community regeneration, climate change and/or sustainable energy). The support can be exclusively offered to community energy initiatives or to a wider group of community climate change initiatives. Most of the intermediaries would probably agree that they provide support and advice to practitioners.

Providing support and advice to community energy initiatives

The support and advice provided by intermediaries took numerous forms and related to various aspects of developing community energy projects. Intermediaries have developed web-based and printed resource materials for community energy initiatives, including how to guides, case studies, newsletters and tools (see CISE Research Briefing 9 for an analysis of case studies produced by intermediaries). In addition to web-based materials, they try to provide direct telephone support through their advice centres, face-to-face short-term mentoring services, networking activities between initiatives (such as organised visits, contact with a development officer for a longer period of time and training courses) to help initiatives to build up their confidence and identify necessary skills to progress their project. These types of support activities are usually being provided around the following topics:

- Community engagement,
- Project planning, carbon calculation,
- Management and organisational skills,
- Purchasing decisions for community infrastructures,
- Techniques to communicate climate change,
- Volunteer burn out and engagement,
- Business planning, funding, technical support,
- Negotiating with external partners, and
- Understanding legal structures and the planning system.

More recently professional service advisors have started to offer their products and services to the community sector, providing, for example, legal advice or funding opportunities. So far, these services have been offered on a pro bono basis but the more popular these products become the less likely they will be for free. One of the interviewees regarded these commercial products as crucial for the development of the sector whereas another acknowledged the potential benefits, but was a bit hesitant about the potential consequences. He explained that in the recycling sector something similar had happened. Community recycling initiatives had set up their own local projects and gradually the private sector started to

offer various products and services to the community groups until they had taken over the sector. Some of the community recycling initiatives kept “innovating” and coming up with new services but most of them ceased to exist: squeezed out by large commercial interests entering a market the community initiatives had helped establish. This interviewee wondered whether a similar fate awaited community energy projects one day; although he regarded this sector as more complex than the community recycling sector and, as such, any relations with business would differ. Recent developments in the sector (for example, the introduction of the FiT) have certainly introduced a stronger turn to social enterprise models in the sector, which has not only impacted on community energy projects but also on the role of intermediary organisations.

Changing role of intermediaries

During several interviews, interviewees spoke about a shift of emphasis in their work that had occurred within the last two to five years: “the role of intermediaries has gone through a bit of a transition over the last few years”. Previously, intermediary organisations, and particularly NGOs, often used to instigate community-based projects, playing the role of the “expert”, “engineer” and “agenda setter”. They played a key role in telling community groups what they think they should do and in helping them to realise these aims. Whilst community-initiated projects did exist, there were fewer than there are now. Today, one of the interviewees suggested, community energy activities increasingly occur even without the support or involvement of intermediary organisations. Indeed, he suggested that these community energy initiatives were sometimes quite “antagonistic” towards intermediary work, disregarding existing knowledge, as “it cannot possibly be for us”.

The changing role of intermediaries was more recently influenced by the current shift from grant to pay back schemes (such as the FiT). For instance, one of the interviewees suggested that communities have been able to take the lead within projects, instead of relying on the support of intermediaries to help them apply for grant funding. The relationships between intermediaries and community initiatives have become more mutual. Intermediaries play more of a “hand holding” and “brokering” role, aiding the process for initiatives to create community enterprises. Then again, community activities have become more complex, as they are often based on numerous project activities instead of on a single project and therefore “the nature of demand placed on intermediaries has changed quite a lot”. One of the interviewees seemed to suggest that intermediaries still have to catch up with the current change in the sector. He explained that although similar areas of support are on offer, intermediaries are still only “beginning to get their head around the notion of community enterprise”.

The introduction of the FiT was described by one of the intermediaries as the “holy grail of community energy”. It changed the way initiatives could finance their projects (no longer do they have to rely substantially on grant funds) and relationships between initiatives and intermediaries. One of the interviewees described the FiT as “game changing”. Social enterprise models have become increasingly the ‘thing’ to do in community energy. Expensive renewable technologies have become financially viable (provided groups can access

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capital) and initiatives are able to create self-supporting projects, including various local people in the investment process. So instead of providing support with grant applications, intermediaries are now busy helping community initiatives to set up businesses. Some of the intermediaries applauded the introduction of the FiT because they regarded “grant dependency as stifling for communities” whereas others were a bit more sceptical. The lack of grants meant that communities often have to take high financial risks to come up with the capital costs, which might exacerbate inequalities and skew the social profile of initiatives and localities involved in community energy.

The ‘network of networks’

The changing role of intermediary organisations also becomes apparent when considering the willingness to create networks of intermediary organisations over the last two years (such as Community Energy Practitioners’ Forum (CEPF) and Communities and Climate Action Alliance (CCAA)). The networks are keen to encourage collaborations between actors, to develop more coordinated and coherent activities and to establish a more common and/or coherent voice for community energy. The running of these networks has been impacted by the shifting political landscape over the last two years. On the one hand, in some instances the networks members have started to drift apart, but on the other hand they have started to advocate community energy in the policy context in a more collaborative and coordinated way.

Coming together and drifting apart

Although intermediary organisations try to keep these networks active, they remain quite fragile. Members can drop out of the network or lose interest and therefore slow down progress. The reason for this fragility is partly based on the fact that networks often exist without receiving any resources for their efforts. Participation is often an ‘add on’ to the existing workload of core intermediary organisations. The progression or stagnation of a network often seems to correlate with the overall strategy of each individual member organisation and their available resources. Voluntarism and the need for consensus also means networks tend to move at the speed of the slowest member. One of the intermediaries involved in the creation of the CEPF pointed out that

“The level of activity is going a bit up and down in relation to what it [CEPF] is able to do because it partly depends on people putting time into it as opposed to time into their own organisation... What you find in any network is that the interest of any part in it to do stuff that is beneficial to the whole tends to subside once the needs of their own organisation call more loudly.”

For instance the change in the funding and political landscape initiated by the election of the coalition government in May 2010, caused numerous members of the CEPF to look inwards to the needs of their own organisations in the “the age of austerity” (Intermediary RD). Each intermediary organisation started to think twice about the usefulness of the network for the organisation.

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It seems there is still a lot of uncertainty about the details of the Green Deal and whether their efforts will have any kind of impact on the development of the deal. There was a sense that the Green Deal is currently design with “big business in mind”, as there are the actors who have time and money to lobby their case.

Whilst the CEPF received Ashden Award funding to create their ‘Development Plan’, funds the CCAA had applied for to help resource the new network had not materialised. Public sector funding has decreased and therefore intermediary organisations similarly to community energy initiatives have started to think about how they are able to survive without having to rely on “funny money” i.e. grants. One of the intermediaries explained how they have considered a social enterprise model for their own organisation. Efforts are directed towards creating unique and competitive service ideas, potentially creating a tension between looking inwards to your own survival, marketing intermediary services in a competitive market-place, and engaging in collaborative work through a network of intermediary organisations.

What these networks have achieved

The Community Energy Practitioners Forum and the Communities and Climate Action Alliance have both been involved in discussions over the development of both the Green Deal and FiT, often by being invited to DECC seminars and responding to the fast-track FiT review consultation. The CCAA’s response was based on the results of a survey that was sent out to the community initiatives through the CCAA member networks. One of the interviewees explained how he had spoken to Chris Huhne’s advisor to get an idea about DECC’s interest in gaining viewpoints from the community sector. Much email correspondence occurred between the Alliance members and telephone conferences were set up to consider “the most useful way of getting feedback from all of the member networks”. The survey was an attempt to bring the views of the initiatives together, in particular collecting the foreseeable impacts of tariff reductions for solar PV larger than 50 kilowatts – its scope and scale and ideas of how to define community based projects so that they could be exempt from the cut off point. One of the interviewees mentioned one suggestion,

“So defining projects by those that were owned by some form of community enterprise would be a good way of providing dispensation to projects that were larger than 50 kilowatts.”

The impact of the response was not easy to identify for the interviewees, as an exemption for

community initiatives through developing a clear definition was not taken forward by DECC during the fast-track review. DECC did, however, offer to include representatives of the Alliance in the development of the subsequent comprehensive review which is currently taking place.

The interviewees involved in the Forum and/or Alliance said that a lot of efforts are currently directed towards shaping the Green Deal. The Alliance organised workshops that try to discuss and outline the potential role of community initiatives within the Green Deal to finally be able to produce a ‘statement’ that can be presented to the government. Numerous ideas of how to integrate community initiatives into the Green Deal exist. Some of the network members are keen to develop a “community Green Deal model” that frames the role of community initiatives “in a way that is tangible and direct” and finds opportunities for community initiatives in the financial framework that the government is currently setting up. One of the interviewees in particular was unsure about this type of approach. For him developing a statement that frames the potential role of community initiatives in the Green Deal seems to disregard the fact that the government seem to currently not consider a community initiative in their plans. This interviewee regarded lobbying activities as more important; wondering whether it is possible to “sit down like sensible people at DECC to sort this out” and partly felt that, at present, both intermediaries and community groups “are looking at the table and waiting for crumbs to fall off it” rather than actively applying pressure to bring about institutional changes.

In how far the government will consider community initiatives within the Green Deal, for example, creating incentives for energy suppliers to work with communities was generally regarded as uncertain by most of the interviewees. Overall, interviewees were of the view that there is still a lot of uncertainty about the details of the Green Deal and whether their efforts will have any kind of impact on the development of the deal. It seems that all parties still have “not got their heads around it”. There was an overall sense that the Green Deal is currently mainly designed with “big business in mind”, as these are the actors who have the time and money to lobby their case.

Conclusion

At this stage, the findings presented in this report are mainly descriptive. More analytical insights will be generated as the CISE project progresses and these descriptive results can be compared with the findings of other work packages from the CISE project. Further, what needs to be considered is that this is only the first round of intermediary interviews. The briefing still raises some valuable issues, relating to the current changing political landscape, niche building processes and intermediary work:

The introduction of professional services and products might help to standardise certain approaches and processes to develop projects, which might ease the diffusion and growth of community energy projects. On the other hand, these standardisation processes may decrease the participation of genuine community groups in energy projects, as the private sector would move more and more into the area. It also risks reducing the space for continued innovation.

The shift towards creating community energy enterprises that rely on pay back schemes rather than grants might have significant impacts on diffusion processes. In the past grants might have been 'stifling' because they came with various conditions set out by the funders but they have also provided a sum of money to cover high capital costs. The reliance on loans to cover these costs from now on might make it impossible for smaller projects to realise their project.

The changing role of intermediary organisations (from 'expert' to 'hand holder') to support community energy enterprises is likely to have an impact on the types of resources and advice provided to the initiatives. For instance, some of the intermediaries questioned the role of case studies and rather advocated more detailed 'open source' resources.

The willingness to create intermediary networks to work more collaboratively can be regarded as significant evidence for niche development in community energy. On the other hand, the fragility of these networks (through cuts in funding) might have the opposite impact, as collaborators become competitive advisors to community energy enterprises. These networks might be



illustrative of the existing dilemmas in niche development.

The future will show whether or not intermediaries can 'get their head around' community energy enterprises and create networks that have sufficient unity and power to advocate community energy in the energy policy and business context. The development of intermediary networks (such as the CCAA) and the development of more effective forms of advice and support are definitely a step towards strengthening the growth of community energy within the UK. Nevertheless, a number of dilemmas lie ahead also; not least attaining a strong identity and influence in the politics of energy policy.

This briefing was prepared by Sabine Hielscher. A more detailed report on this analysis (considering numerous other topics mentioned during the interviews) is available by emailing Sabine directly on s.hielscher@sussex.ac.uk.

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The future will show whether intermediaries 'get their head around' community energy enterprises and create networks that are sufficiently united to advocate community energy in the policy and energy business context. The development of various networks and more effective forms of advice and support are definitely a step towards strengthening community energy in the UK

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